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Alderon's 65.2% Fe Kami iron ore concentrate “perfectly positioned” for China market

Canadian iron ore developer Alderon is looking to meet growing Chinese demand for higher-grade iron ores with 65.2% Fe concentrate with “ultra-low” alumina and phosphorus from its Kamistatusset (Kami) Project in western Labrador, Canada, the miner said on Wednesday September 26.

The Kami concentrate is “perfectly positioned” to meet Chinese mills’ needs and works as a sweetener for the base load of lower grade Australian ores, President and CEO Tayfun Eldem of Alderon said in the company's updated feasibility report on the project.

“China’s drive to curb air pollution has led to significant steel sector restructuring and supply side reforms resulting in a steady demand for higher-grade and lower-impurity ores as steelmakers strive to lower emissions and boost blast furnace efficiency,” he added.

Metal Bulletin's 66% Fe Iron Ore Concentrate Index averaged \$94.28 per tonne CFR China in 2018 till September 21, \$4.43 per tonne higher than the average of \$89.85 per tonne CFR of its 65% Fe iron ore fines index in the same period.

The updated feasibility study assumed a sales price of \$89.67 per tonne CFR for the concentrate, while estimating an average life-of-mine operating cost of \$30.72 per tonne.

All of the planned production from the project has been pre-sold under off-take agreements with China's second largest steelmaker HBIS Group and a subsidiary of Glencore, according to Alderon.

The Kami project is owned 75% by Alderon and 25% by HBIS.